



## ***AOT in Action***

Welcome to AOT in Action, your weekly e-newsletter from the Arizona Office of Tourism (AOT).

### **A Message from Director Sherry Henry:**

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Good afternoon,

Happy World Tourism Day!

World Tourism Day, which is endorsed by the U.N. World Tourism Organization (UNWTO), is held every year on September 27. This great event encourages the international community to recognize and promote the importance of tourism and its social, cultural, political and economic value. This year's summit is being held in China.

The theme focuses on celebrating "Tourism and Biodiversity" and provides a unique opportunity to raise public awareness of the importance of biodiversity to tourism and the role of sustainable tourism in the conservation of life on Earth.

For Arizona, tourism continues to be one of our state's most stable economic drivers by generating revenue in all 15 counties. In 2009, Arizona hosted more than 35 million domestic and international overnight visitors. Those visitors spent more than \$16.6 billion throughout the Grand Canyon State. This spending directly generated more than 157,000 jobs in addition to more than \$2.4 billion in local, state and federal taxes revenue.

Events such as World Tourism Day help us bring awareness to how the tourism industry is such a driving force in contributing to the quality of life for Arizonans.

For more information on World Tourism Day, visit  
<http://www.unwto.org/worldtourismday/index.php?lang=E>

On another note: Don't miss the AOT Team in Lake Havasu City or Prescott this week. Staff will be hosting the AOT on the Road workshops for community members to find out what AOT can offer! There is still time to participate and meet the team. For information, please review the **AOT News** section below.

Have a great week.

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## AOT News

### New Updates to AOT's Research Web site!

The following items have been updated in the Research and Statistics section of AOT's business-to-business Web site [www.azot.gov](http://www.azot.gov).

- [2009 Year-End Research Summary](#)
- [Bed Tax Rates September 2010](#)
- [County Lodging August 2010](#)
- [National, Regional, Arizona Lodging August 2010](#)
- [State Park Visitation July 2010](#)

For additional information or questions, please contact Melissa Elkins, Research Manager, at 602-364-3716 or via e-mail at [melkins@azot.gov](mailto:melkins@azot.gov).

### Don't Miss the AOT Team!

The Arizona Office of Tourism is thrilled to announce its new outreach program, AOT on the Road. Through this program AOT will provide communities and businesses an opportunity to learn what AOT offers and how your community can work with the agency. This is also a chance for AOT staff to learn more about the communities and regions that it represents. Workshops will be held from 8:00 a.m. – 12:30 p.m., with registration from 7:30-8:00 a.m. The workshops provide an opportunity to sit down with AOT staff and discuss the following topics: Marketing, Research, Trade/Media, Communications, Community Development, and the Arizona Centennial. These sessions are complimentary and open to the public.

### Dates and Locations:

Lake Havasu City, [London Bridge Resort](#) - September 28th  
Prescott, [Marriott Residence Inn](#) – September 29<sup>th</sup>

*Future dates and locations will be announced soon.*

To RSVP, please submit your name, the name of your organization and your contact information to [ATURSV@azot.gov](mailto:ATURSV@azot.gov).

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## AOT Activities

### Meet Toronto, ON -based Media Representatives at the First Annual Toronto Media Marketplace

The Arizona Office of Tourism is pleased to invite Arizona tourism suppliers to join us at our first annual Toronto Media Marketplace. The event will take place at the Boiler House in Downtown Toronto on Tuesday, November 30. We anticipate approximately 40 key media representatives

will be in attendance. Delegates will have a table to display materials and distribute press kits as well as meet one-on-one with media representatives. Registration is \$900 per delegate, all other expenses are extra. Brochure distribution is available on a limited basis for \$250 per company. For more information please contact Kristin Swanson at [kswanson@azot.gov](mailto:kswanson@azot.gov) or 602-364-3696.

## Upcoming Events & Activities

### [New York Media Marketplace](#)

**Date:** September 29, 2010

**Location:** New York City, NY

### [Canada Trade Mission - East](#) (Air Canada Montreal Service Launch Event)

**Date:** October 11 -15, 2010

**Location:** Toronto, ON and Montreal, QB

### [Discover America Day - Canada](#)

**Date:** October 18, 2010

**Location:** Toronto, ON

### [Arizona Media Marketplace](#)

**Date:** October 28, 2010

**Location:** Scottsdale, AZ

### [Travel Classics West](#)

**Date:** October 28 – 31, 2010

**Location:** Phoenix, AZ

### [In the HeART of Arizona Press Trip](#)

**Date:** October 31 – November 5, 2010

**Location:** Camp Verde, Sedona and Jerome, AZ

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## Industry News

### **Many North Rim Facilities to Close for Season Soon at Grand Canyon Park; South Rim Remains Open for Visitors**

As colors on the North Rim of Grand Canyon National Park begin to change, it is a reminder that the North Rim's visitor season is winding down. The staff on the North Rim will soon begin to shut down most visitor services and facilities, but the park will remain open to visitors through November 28 or until snow closes Highway 67 leading into the park. Starting November 29, at 8:00 a.m., the gates to the park will be closed to motorized vehicles. Hikers and cross country skiers are still welcome to enter the North Rim of the park throughout the winter months, providing backcountry permits have been obtained.

Visitors can contact the North Rim Visitor Center at (928) 638-7864 for additional information on North Rim operations.

The South Rim and Inner Canyon facilities remain open year-round. Additional information can also be obtained by logging onto the park's website at [www.nps.gov/grca](http://www.nps.gov/grca) or by calling the park's main information line at (928) 638-7888.

### **Biz Travel Spending on an Upward Spiral**

Recent surveys show what business travel spending, a positive indicator of the market, is up though not yet meeting levels before the recession. For example:

---The International Air Transport Assn. released statistics showing passenger traffic on first- and business-class seats was up 13.8 percent in July from the same month last year.

---Meanwhile, almost two-thirds of the travel firm owners, managers and agents who were surveyed said business travel bookings for airline seats and hotel rooms were up as of Aug. 30 compared with a year earlier, according to the Travel Leaders Group, a Minneapolis travel company.

"That's good news for the struggling airline and hotel industries, which make a bulk of their revenue from the business traveler. The bad news is that the rate of business travel remains below pre-recession levels," said the LA Times.

Nearly 61 percent of the travel managers and agents surveyed said travel bookings were either the same or below the rate of 2008. Statistics from the airline trade group showed the number of passengers flying in premium-class seats — typically occupied by business travelers — were still 8 percent below pre-recession levels.

A travel forecast by Egencia, the corporate travel arm of Expedia Inc., reached a similar conclusion.

"Corporations are traveling again this year, though still below 2008 levels," said Rob Greyber, president of Egencia. (*Travel Mole e-Newsletter, September 21*)

### **Industry Group Predicts Airline Profits Triple What Was Expected**

North American and airlines worldwide with some exceptions can expect much larger profits this year than previously expected, predicts an industry association. Airlines in North America are expected to see much stronger profits of around US\$3.5 billion compared an earlier forecast \$1.9 billion, according to the International Air Transport Association (IATA). Carriers in Latin America, the Middle East and Africa also were predicted to experience steady improvement.

Airlines in Europe, which represent a major part of the world's air traffic, continue to struggle amid a stagnating economy, though their losses were likely to be around \$1.3 billion, less than the \$2.8 billion previously forecast.

"The industry recovery has been stronger and faster than anyone predicted," said Giovanni Bisignani, the IATA director general. But he cautioned that with margins still at a "razor thin"

average of 1.6 percent and fuel costs still representing about a quarter of operating costs, the industry could be seeing a near-term peak in profitability. "This year is as good as it gets," Bisignani said. "This is the peak of the cycle."

In Europe, the IATA attributed the improvement to the impact of the weaker euro, which had stimulated exports and thereby bolstered carriers' cargo business. The weaker currency was also encouraging more inbound travel to Europe from both business and leisure travellers.

Steady gains in passenger demand and a strong rebound in the air freight market led the IATA to more than triple its profit forecast for the world's airlines to \$8.9 billion this year. But the IATA also specifically cited the uncertain outlook in Europe and North America as the impact of government stimulating the economy. Demand for airline tickets was continuing to outpace the number of available seats, driving up fares worldwide. The IATA said demand was expected to grow by 11 percent this year, while capacity would only expand by 7 percent. With the recovery, manufacturers have been rebuilding their inventories, driving a sharp increase in cargo activity in the first half of this year.

But Brian Pearce, the IATA's chief economist, said that the economic environment remained "extremely risky." He said the recent round of government belt-tightening, particularly in Europe, left airlines vulnerable to another slowdown, which would likely restrain further growth in freight traffic. The booming Asia-Pacific region remained the main driver of growth. (*Travel Mole e-Newsletter, September 23*)

### **New Travel Trend: Glamorous Camping**

Since the economy has taken the camp out of camping, the new thing is glamping which is short for glamour camping. "To attract travelers who don't want to sleep on the ground or put up their own shelters, state parks and resorts now offer alternative accommodations: yurts, first used by nomadic Central Asian peoples; teepees; luxury tents and spruced up cabins or lodges," reports the Washington Post. There's a reported 25 percent increase in glamping. Some organizations such as Kampgrounds of America are adding new sites some with flat-screen TVs and fireplaces as well as full kitchens.

Camping, said spokeswoman Lacey Thornton, "doesn't have to be an uncomfortable experience." The campgrounds themselves offer amenities such as outdoor movies, petting zoos and espresso bars. The luxurious African safari experience was the inspiration behind glamping, reports the Post. In the United States and Canada, glamping can range from high-end -- a luxury one-bedroom tent at the Resort at Paws Up in Montana, for instance, can cost US\$725 a night in the fall -- to a two-bed teepee at the Wigwam Village Inn in Cave City, Ky. Cost there: \$60 to \$65 a night. (*Travel Mole e-Newsletter, September 23*)

### **Study Finds US International Travelers' Biggest Concern is Safety**

Not surprisingly, Americans ranked safety and security as top concerns for international travel, according to results of a recently released survey conducted for the US Travel Insurance Association. Surprisingly, however was the finding that despite the Iceland volcanic eruption, Americans only ranked natural disaster on a par with kidnapping (44 percent). "When it comes to choice of destination, however, Americans are slightly more cautious, with 60 percent of those polled saying that safety and security concerns would influence their choice of an overseas destination," the report found.

The UStiA survey also found that more than two-thirds of those polled were moderately to highly concerned over terrorism, followed closely by quality of law enforcement, which concerned nearly 65 percent of respondents. "While year to year concerns over safety and security have remained fairly consistent, in general, Americans are less worried than in 2009 over health issues," the survey found. Only 46 percent of Americans said that health concerns would influence their choice of international destination, in contrast to 2009, when 56 percent cited health issues as a determining factor in where they would travel. "UStiA attributes the 10 drop in part to the diminished health threat posed by the H1N1 virus this year," the group said.

Also not surprisingly, the survey found that older travelers are more concerned about safety, security, and health issues than are younger-aged travelers. More than three out of four travelers aged 54 and over ranked terrorism as the No. 1 concern, and 71 percent expressed concern over quality of law enforcement. (*Travel Mole e-Newsletter, September 23*)

### **Southwest to Acquire AirTran**

Southwest Airlines has agreed to acquire AirTran Holdings, the parent company of AirTran Airways, in a cash-and-stock deal worth \$1.4 billion. Including AirTran's debt and capitalized aircraft operating leases, the transaction value is approximately \$3.4 billion, said Southwest. The AirTran brand will be phased out should stockholders approve the acquisition. "The acquisition of AirTran represents a unique opportunity to grow Southwest Airlines' presence in key markets we don't yet serve and takes a significant step towards positioning us for future growth," said Southwest CEO Gary Kelly.

Completion of the transaction, which will require both regulatory and shareholder approvals, is expected to close by the first half of 2011. Until closing, Southwest and AirTran will continue to operate as independent companies. Commercial and operating integration is slated to culminate in 2012. Should the deal close, AirTran CEO Bob Fornaro would be involved in the integration of the two companies, including working toward a single operating certificate, putting the Southwest livery on AirTran planes and consolidating corporate functions into Southwest's Dallas headquarters.

"This agreement is great news for our crew members, our shareholders, our customers and the communities we serve," Fornaro said. "Joining Southwest Airlines will give us opportunities to grow, both professionally as individuals and as a group, in ways that simply would not be possible without this agreement."

Under the agreement, each share of AirTran common stock will be exchanged for \$3.75 in cash and 0.321 shares of Southwest's common stock, subject to adjustments. The number of shares to be issued by Southwest is subject to adjustment if the average of Southwest's closing prices for the 20 trading days ending three trading days prior to closing is below \$10.90 or above \$12.46. The adjustment mechanism is intended to provide at least \$7.25 in value and up to \$7.75 in value per share of AirTran common stock, said Southwest. At Southwest's closing stock price of \$12.28 on Sept. 24, the transaction values AirTran common stock at \$7.69 per share. (*Travel Weekly, September 27*)

### **Consumer Confidence May Be Down, but Discretionary Spending is Up**

American Express Business Insights launched its series of Q2 2010 Business Insights Spend Trends reports, which analyze changing patterns in spending across various categories, US cities and consumer groups. Based on actual aggregated spending information between April 1 and June 30, 2010, the Business Insights Spend Trends reports reveal a cross-section of notable spending trends across core sectors such as travel, dining and entertainment, and luxury retail during the second quarter of 2010 versus the second quarter of 2009.

The travel sector showed some surprising trends, with the airline industry experiencing an extreme shift in preferred ticket classification. The Q2 2010 Spend Trends Report: Travel illustrates that business class airfare saw an overall 63% increase in spending by US consumers, with the ultra-affluent group spending 114% more on the front of the plane during the second quarter of 2010 over the year prior. Spend on first class tickets saw no increase year-over-year. Airlines might consider how to leverage this dramatic shift in preference as we head into the holiday travel season. For more information, [click here](#). (*Travel Industry Wire, September 23*)

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### **Calendar of Events**

Visit [www.ArizonaGuide.com](http://www.ArizonaGuide.com) to find information on all the exciting [events, festivals and activities](#) held throughout the Grand Canyon State!

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